



January 18, 2002

## SENATE BILL No. 229

DIGEST OF SB 229 (Updated January 16, 2002 6:26 PM - DI 47)

**Citations Affected:** IC 12-8; IC 12-15; IC 16-18; IC 16-19; noncode.

**Synopsis:** Office of Medicaid policy and planning. Transfers, on July 1, 2003, the functions of the office of Medicaid policy and planning from the office of the secretary of family and social services to the state department of health. Establishes the division of Medicaid policy and planning within the state department of health. Directs the select joint commission on Medicaid oversight to prepare legislation needed to implement the transfer of responsibilities. Requires Medicaid policy decisions to be approved by an employee of the division holding an unlimited license to practice medicine. Requires implementation of a disease management program for Medicaid recipients with certain diseases. Repeals provisions establishing the office of Medicaid policy and planning within family and social services.

**Effective:** July 1, 2003.

**Miller**

January 7, 2002, read first time and referred to Committee on Rules and Legislative Procedure.

January 17, 2002, amended, reported favorably — Do Pass; reassigned to Committee on Health and Provider Services.

SB 229—LS 6735/DI 104+



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January 18, 2002

Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

## SENATE BILL No. 229

A BILL FOR AN ACT to amend the Indiana Code concerning Medicaid.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 16-18-2-97 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 97. "Division" means  
3 the following:

4 (1) **For purposes of IC 16-19-14, the division of Medicaid**  
5 **policy and planning.**

6 (2) For purposes of IC 16-22-8, the meaning set forth in  
7 IC 16-22-8-3.

8 ~~(2)~~ (3) For purposes of IC 16-28, a group of individuals under the  
9 supervision of the director within the state department assigned  
10 the responsibility of implementing IC 16-28.

11 ~~(3)~~ (4) For purposes of IC 16-41-40, the meaning set forth in  
12 IC 16-41-40-1.

13 SECTION 2. IC 16-19-3-4 IS AMENDED TO READ AS  
14 FOLLOWS [EFFECTIVE JULY 1, 2003]: Sec. 4. (a) The executive  
15 board may, by an affirmative vote of a majority of its members, adopt  
16 reasonable rules on behalf of the state department to protect or to  
17 improve the public health in Indiana.

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(b) The rules may concern but are not limited to the following:

- (1) Nuisances dangerous to public health.
- (2) The pollution of any water supply other than where jurisdiction is in the water pollution control board and department of environmental management.
- (3) The disposition of excremental and sewage matter.
- (4) The control of fly and mosquito breeding places.
- (5) The detection, reporting, prevention, and control of diseases that affect public health.
- (6) The care of maternity and infant cases and the conduct of maternity homes.
- (7) The production, distribution, and sale of human food.
- (8) The conduct of camps.
- (9) Standards of cleanliness of eating facilities for the public.
- (10) Standards of cleanliness of sanitary facilities offered for public use.
- (11) The handling, disposal, disinterment, and reburial of dead human bodies.
- (12) Vital statistics.
- (13) Sanitary conditions and facilities in public buildings and grounds, including plumbing, drainage, sewage disposal, water supply, lighting, heating, and ventilation, other than where jurisdiction is vested by law in the fire prevention and building safety commission or other state agency.
- (14) The design, construction, and operation of swimming and wading pools. However, the rules governing swimming and wading pools do not apply to a pool maintained by an individual for the sole use of the individual's household and house guests.

**(15) The administration and regulation of the state's Medicaid program.**

SECTION 3. IC 16-19-14 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

**Chapter 14. Division of Medicaid Policy and Planning**

**Sec. 1. The division of Medicaid policy and planning is established within the state department.**

**Sec. 2. Subject to the approval of the executive board, the state health commissioner:**

- (1) shall appoint the director of the division; and
- (2) may terminate the employment of a director of the division.

**Sec. 3. The director of Medicaid policy and planning:**



- (1) is the chief administrator of the division;
- (2) is responsible to the state health commissioner for the operation and performance of the division and the state Medicaid program;
- (3) has the appointing authority for the division; and
- (4) is responsible for the development and presentation of the budget of the division.

Sec. 4. (a) The division shall administer the Medicaid program under 42 U.S.C. 1396 et seq.

(b) The division is designated as the single state agency for administration of the state Medicaid program.

Sec. 5. The division shall develop and coordinate Medicaid policy for the state.

Sec. 6. (a) Subject to subsection (b), the office of the state health commissioner, with the approval of the executive board, may adopt rules under IC 4-22-2 to implement this chapter and the state Medicaid program.

(b) Before policy decisions (including the adoption of rules) are made under subsection (a) concerning the Medicaid program, the action must first be approved by an individual employed by the division who holds an unlimited license to practice medicine in Indiana.

Sec. 7. (a) The division shall implement and emphasize a disease management program for Medicaid recipients with any of the following diseases:

- (1) Asthma.
- (2) Diabetes.
- (3) Congestive heart failure or coronary heart disease.
- (4) HIV or AIDS.

(b) In implementing the disease management program under subsection (a), the division shall consult with individuals who hold a license to practice medicine in Indiana.

Sec. 8. (a) For purposes of IC 4-21.5, the office of the state health commissioner is the ultimate authority for the state Medicaid program.

(b) Subject to section 6 of this chapter, the office of the state health commissioner, with the approval of the executive board, shall adopt rules under IC 4-22-2 to specify any additional necessary procedures for administrative review of an agency action under IC 4-21.5 and the state Medicaid program.

SECTION 4. THE FOLLOWING ARE REPEALED [EFFECTIVE JULY 1, 2003]: IC 12-8-6; IC 12-15-1-1.



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1 SECTION 5. [EFFECTIVE JULY 1, 2003] (a) On July 1, 2003, the  
2 powers, duties, and functions of:

3 (1) the office of Medicaid policy and planning established by  
4 IC 12-8-6-1 (before its repeal); and

5 (2) the office of the secretary of family and social services  
6 concerning the office of Medicaid policy and planning;  
7 are transferred to the state department of health.

8 (b) After June 30, 2003, a reference in the Indiana Code or the  
9 Indiana Administrative Code to the office of Medicaid policy and  
10 planning shall be construed as a reference to the division of  
11 Medicaid policy and planning established within the state  
12 department of health by IC 16-19-14, as added by this act.

13 (c) After June 30, 2003, a reference in IC 12-15 or the Indiana  
14 Administrative Code, insofar as it applies to administration of the  
15 Medicaid program, to:

16 (1) the division of family and children; or

17 (2) the office of the secretary of family and social services;  
18 shall be construed as a reference to the division of Medicaid policy  
19 and planning established within the state department of health by  
20 IC 16-19-14, as added by this act.

21 (c) This SECTION expires December 31, 2005.

22 SECTION 6. [EFFECTIVE JULY 1, 2003] (a) On July 1, 2003, the  
23 property and records of the office of the secretary of family and  
24 social services concerning the office of Medicaid policy and  
25 planning established by IC 12-8-6-1 (before its repeal) are  
26 transferred to the state department of health.

27 (b) This SECTION expires December 31, 2005.

28 SECTION 7. [EFFECTIVE JULY 1, 2003] (a) On July 1, 2003,  
29 any appropriations made to the office of the secretary of family  
30 and social services to administer the office of Medicaid policy and  
31 planning established by IC 12-8-6-1 (before its repeal) and the  
32 Medicaid program are transferred to the state department of  
33 health to be used for the purposes of administering the division of  
34 Medicaid policy and planning established by IC 16-19-14, as added  
35 by this act, and the Medicaid program.

36 (b) This SECTION expires June 30, 2006.

37 SECTION 8. [EFFECTIVE JULY 1, 2003] (a) On July 1, 2003, an  
38 individual who was an employee of the office of Medicaid policy  
39 and planning on June 30, 2003, is an employee of the division of  
40 Medicaid policy and planning established within the state  
41 department of health by IC 16-19-14, as added by this act.

42 (b) An employee described in subsection (a) is entitled to have



1 the employee's service on June 30, 2003, included for the purpose  
2 of computing:

3 (1) retention points under IC 4-15-2-32 if layoff occurs; and

4 (2) all other applicable employment benefits.

5 (c) This SECTION expires December 31, 2005.

6 SECTION 9. [EFFECTIVE JULY 1, 2003] (a) The rules adopted  
7 by the office of the secretary of family and social services and the  
8 office of Medicaid policy and planning before July 1, 2003,  
9 concerning the Medicaid program are considered, after June 30,  
10 2003, rules of the state department of health.

11 (b) The office of the state health commissioner, with the  
12 approval of the executive board of the state department of health,  
13 shall amend references in existing rules to indicate that the state  
14 department of health and not the office of the secretary of family  
15 and social services is the department that supervises the division of  
16 Medicaid policy and planning established by IC 16-19-14, as added  
17 by this act, and administers the Medicaid program.

18 (c) This SECTION expires December 31, 2005.

19 SECTION 10. [EFFECTIVE JULY 1, 2003] (a) As used in this  
20 SECTION, "commission" refers to the select joint commission on  
21 Medicaid oversight established under IC 2-5-26-3.

22 (b) In addition to its other statutory duties, the commission shall  
23 provide for the introduction of legislation in the 2004 and 2005  
24 regular sessions of the general assembly to do the following:

25 (1) Make appropriate changes to references in statutes that  
26 are required by this act.

27 (2) Revise and consolidate the statutes relating to the  
28 transfer of responsibility for the Medicaid program to the  
29 state department of health, as provided under this act.

30 (3) Otherwise implement this act.

31 (c) This SECTION expires December 31, 2004.

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## COMMITTEE REPORT

Mr. President: The Senate Committee on Rules and Legislative Procedure, to which was referred Senate Bill No. 229, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill be AMENDED as follows:

- Page 1, line 2, delete "2002" and insert "2003".
- Page 1, line 14, delete "2002" and insert "2003".
- Page 2, line 33, delete "2002" and insert "2003".
- Page 3, line 42, delete "2002" and insert "2003".
- Page 4, line 1, delete "[EFFECTIVE JULY 1, 2002] (a) On July 1, 2002," and insert "[EFFECTIVE JULY 1, 2003] (a) On July 1, 2003,".
- Page 4, line 8, delete "2002," and insert "2003,".
- Page 4, line 13, delete "2002," and insert "2003,".
- Page 4, line 21, delete "2004." and insert "2005.".
- Page 4, line 22, delete "[EFFECTIVE JULY 1, 2002] (a) On July 1, 2002," and insert "[EFFECTIVE JULY 1, 2003] (a) On July 1, 2003,".
- Page 4, line 27, delete "2004." and insert "2005.".
- Page 4, line 28, delete "[EFFECTIVE JULY 1, 2002] (a) On July 1, 2002," and insert "[EFFECTIVE JULY 1, 2003] (a) On July 1, 2003,".
- Page 4, line 36, delete "2005." and insert "2006.".
- Page 4, line 37, delete "[EFFECTIVE JULY 1, 2002] (a) On July 1, 2002," and insert "[EFFECTIVE JULY 1, 2003] (a) On July 1, 2003,".
- Page 4, line 39, delete "2002," and insert "2003,".
- Page 5, line 1, delete "2002," and insert "2003,".
- Page 5, line 5, delete "2004." and insert "2005.".
- Page 5, line 6, delete "[EFFECTIVE JULY 1, 2002]" and insert "[EFFECTIVE JULY 1, 2003]".
- Page 5, line 8, delete "2002," and insert "2003,".
- Page 5, line 10, delete "2002," and insert "2003,".
- Page 5, line 18, delete "2004." and insert "2005.".
- Page 5, delete lines 19 through 42, begin a new paragraph and insert:  

"SECTION 10. [EFFECTIVE JULY 1, 2003] (a) As used in this SECTION, "commission" refers to the select joint commission on Medicaid oversight established under IC 2-5-26-3.

(b) In addition to its other statutory duties, the commission shall provide for the introduction of legislation in the 2004 and 2005



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regular sessions of the general assembly to do the following:

(1) Make appropriate changes to references in statutes that are required by this act.

(2) Revise and consolidate the statutes relating to the transfer of responsibility for the Medicaid program to the state department of health, as provided under this act.

(3) Otherwise implement this act.

(c) This SECTION expires December 31, 2004."

Delete page 6.

and when so amended that said bill do pass and be reassigned to the Senate Committee on Health and Provider Services.

(Reference is to SB 229 as introduced.)

GARTON, Chairperson

Committee Vote: Yeas 5, Nays 3.

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